



**TESTIMONY OF
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WHODATHUNKIT FARM
VICE CHAIR OF MEMBERSHIP FOR THE
NATIONAL SMALL BUSINESS ASSOCIATION**

**AT A HEARING BEFORE THE
U.S. HOUSE COMMITTEE ON SMALL BUSINESS**

“EFFECTS OF GASOLINE PRICES ON SMALL BUSINESSES”

MAY 9, 2012

Chairman Graves, Ranking Member Velazquez, and Members of the Committee, my name is C. Cookie Driscoll, and I am the owner of two small businesses, Whodathunkit Farm and C. Cookie Driscoll, Inc., both of which are located in the Fairfield, PA., just across the Maryland state line in Adams County. My farm is a full care boarding and learning facility and my other business offers a line of gift items targeted toward the equestrian and pet industries as well as promotional products like pens, mugs and embroidered shirts. I also am on the Board of Trustees of the National Small Business Association (NSBA), the oldest small-business advocacy organization in the U.S.

I would like to thank you for inviting me to testify today about the effects of gasoline and diesel prices on small businesses, particularly my farm. I am very grateful that you are aware of, and addressing the negative impact unstable and increasing gasoline prices are having on small businesses across the country.

My farm is on 12 acres and includes a nine stall barn, three paddocks and an outdoor arena for lessons and training. I bought the farm on March 20, 1997 and began accepting boarders and students. Because of the limited paddock area, I feed the horses concentrated feeds (commonly known as oats or sweet feed) and hay pretty much year-round. Over time, I have watched my expenses increase dramatically.

The cost of fuel affects every aspect of running a horse farm, no matter how big or small.

The farm equipment used to plant, spray, harvest and transport the feed all uses diesel fuel which is now more costly than gasoline. Currently, the cost of diesel fuel in our small farming community varies from \$4.15 per gallon to roughly \$4.39 per gallon and gasoline varies from \$3.69 per gallon to approximately \$3.99 per gallon. These high prices and the volatility of these prices have a significant impact on my bottom line, including the cost of feed which has risen exponentially over the past few years. And, if that isn't bad enough, the use of corn to make fuel now has forced the price of corn up and corn is used in almost all feed concentrates on the farm.

Of course, we feed more than the blended concentrates that use the corn and other grains. We feed a lot of hay and, again, every aspect of the price of hay is tied into the price of fuel, from planting, to cutting, raking, baling and now even packaging. The big round bales are either wrapped in a plastic mesh or solid plastic wrap, both made from petroleum products. With the unusual rain patterns that we've experienced over the past few years, the hay crops have been adversely affected in many areas around the country. Because of that we often have to travel much farther to buy suitable hay, adding transport costs to an already expensive staple on the farm. But I don't just depend on baled hay to feed the horses. Hay is used as the base ingredient in the pelleted feeds that contain the corn, oats, and other grains. So, no matter where the hay crops fail, feed manufacturers have the added cost of trucking the hay in to produce the concentrates we use. These costs are then passed on to us.

And of course after the horses have enjoyed the benefit of the feed, the manure either has to be spread or hauled away, again using fuel.

Bedding for the horses is usually either wood shavings or straw. My cost for packaged wood shavings went from \$2 per bale to \$6.00 for the packed and \$6.50 for the pelleted shavings. These increases came about partly because of the housing industry coming to a screeching halt and partly because of the cost of fuel. Again, hauling the timber, milling, collecting the shavings and transportation uses diesel fuel. And the packaged shavings are also packaged in plastic bags, so when the cost of fuel goes up, it affects the price of the bedding.

If the horses on the farm are being shown, the price of fuel can determine how far away the owner is willing to travel to campaign a horse and how often they will compete. The commercial horse transportation companies have had to increase their “per mile rate” significantly which is another cost passed on to small businesses like mine. The same goes for horses that are racing. Breeding operations typically have to transport the mares to the stud farms, adding expense to the operation and with no guarantees that one trip will accomplish the desired outcome.

There just isn't much about managing a horse farm that isn't affected by the price of fuel. Even the veterinarians and the farriers have to charge trip fees to cover their travel expenses when they come and tend to the horses. But for those enthusiasts who are

determined to keep their horses, it's worth it. If they have to they will take on a second job to cover the cost, and many do.

In addition to being a small-business owner, I am also a member of the National Small Business Association and serve in a leadership capacity on the Board. I can tell you that, without question, my issues aren't unique to my business or my industry. We all are hurting from volatile and rising gas prices. As such, NSBA recently adopted a new energy and environmental policy and will continue to take an active role in advocating on behalf of small businesses in these areas and urging lawmakers and regulators to consider the burden that any energy or environmental policy or rule would have on small firms.

In short, we believe that any energy or environmental policy should have five primary objectives: 1) ensure clean air and water; 2) promote adequate and affordable energy; 3) end U.S. reliance on foreign energy; 4) simplify regulatory requirements and accelerate the approval process; and support federal energy research dollars for small firms.

I beg of you to please keep in mind that the impact of rising and volatile gas prices is not isolated to a horse farm. Cattle farms, pig farms, and even poultry operations are dramatically affected by the price of fuel just like I am. These costs go so far beyond the cost of transporting the livestock.

Thank you for allowing me to testify on such a critical issue for America's small business community. It was an honor to address all of you and I welcome any questions you might have.